

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3805-01  
Bill No.: HB 2063  
Subject: Alcohol; Public Safety Department  
Type: Original  
Date: February 19, 2008

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Bill Summary: This proposal allows certain organizations who sell intoxicating liquor by the drink on the premises to obtain a special license to remain open until 3:00 a.m. and to open on Sundays at 8:00 a.m.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	\$12,750	\$15,300	\$15,300
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$12,750</b>	<b>\$15,300</b>	<b>\$15,300</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<b>Local Government</b>	<b>\$27,000</b>	<b>\$32,400</b>	<b>\$32,400</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Public Safety - Alcohol and Tobacco Control (ATC)** state this bill creates a new license type which allows certain establishments exempt from paying federal income taxes to remain open until 3:00 a.m. Monday through Saturday nights. ATC estimate that about 10% of current licensees with this type of license (RBDE) will apply for this license. There are 517 RBDE's currently; therefore, 51 would apply for the additional license at \$300 for a total increase in state revenue of \$15,510 annually.

DPS estimates an increase in state liquor license fees of \$15,510 annually (517 /10 x \$300). DPS assumes the same fee revenue for counties since they may charge a fee equal to the state liquor license fees (Section 311.220). DPS also assumes an annual fee revenue amount of \$17,449 for cities, since an estimated 75% of the licenses would be located in cities, and these cities may charge 150% of the state fee (517 x 10% x 75% x \$300 x 150%). DPS assumes 10 months of impact for FY 2009.

**Oversight** will utilize DPS's estimation of 51 new licenses sold. Therefore, Oversight will assume \$15,300 (51 x \$300) of state liquor license fee revenue in a given year will be collected. Oversight will assume the same amount of revenue for counties and that 38 of the 51 new licenses (roughly 75%) will be in a city and would pay 150% of the state and county rate for the new license (38 x \$300 x 150% = \$17,100).

**This proposal could increase Total State Revenues.**

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
<b>GENERAL REVENUE</b>			
<u>Income</u> - liquor license fee revenue for new 3:00 a.m. license for certain organizations	<u>\$12,750</u>	<u>\$15,300</u>	<u>\$15,300</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>\$12,750</u></b>	<b><u>\$15,300</u></b>	<b><u>\$15,300</u></b>

FISCAL IMPACT - Local Government

FY 2009  
(10 Mo.)

FY 2010

FY 2011

**CITIES AND COUNTIES**

Income - Counties - liquor license fee  
revenue for new 3:00 a.m. license for  
certain organizations

\$12,750

\$15,300

\$15,300

Income - Cities - liquor license fee  
revenue for new 3:00 a.m. license for  
certain organizations

\$14,250

\$17,100

\$17,100

**ESTIMATED NET EFFECT TO THE  
CITIES AND COUNTIES**

**\$27,000**

**\$32,400**

**\$32,400**

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

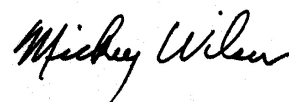
FISCAL DESCRIPTION

This proposal allows certain charitable, fraternal, religious, service, or veterans' organizations that are exempt from federal taxes and have or are qualified to have a license to sell intoxicating liquor by the drink on their premises to obtain a special permit for \$300 per year to remain open until 3:00 a.m. each day and to open on Sundays at 8:00 a.m.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety



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February 19, 2008